



# Preparing for FAMLI

## LOCAL GOVERNMENTS

Unlike businesses, Colorado local governments have options regarding their participation in the paid Family and Medical Leave Insurance (FAMLI) program. Here are the steps local governments should take to prepare for FAMLI:

### 1. Make sure you're a local government entity

Start by checking to see if your entity fits the definition of a “local government” under Colorado law.

**Local Government** – Any county, city and county, city, or town, whether home rule or statutory, or any school district, special district, authority, or other political subdivision of the state. Charter Schools are considered Local Governments under the FAMLI Act. Any government entity with at least one employee in the State Personnel System is NOT considered a Local Government under the FAMLI Act. Any government entity for which the state prepaid premiums under 2022 law ([HB22-1133](#)) is NOT a local government. References: §29-1-304.5(3)(b) C.R.S., C.R.S. 8-13.3-518(4)(b)

### 2. Determine your local government's participation in FAMLI

Local governments have three options regarding participation in the FAMLI program:

- » Participate in FAMLI. This option means the local government agency agrees to pay the employer share of the premium (0.45% of wages if the local government has 10 or more employees, and 0% of wages if the local government has fewer than 10 employees) and remit employees' share of the premium (0.45% of wages) along with wage data to the FAMLI Division once a quarter.

- » Decline participation in FAMLI. In order to decline participation in the FAMLI program, the local government's governing body must vote to do so. The local government must then notify the FAMLI Division of their vote to decline participation. The decision to decline is good for eight years from the date of the vote to decline participation. The local government must hold another vote if it wishes to continue opting-out beyond eight years.
- » Decline employer participation in FAMLI. This option allows a local government agency to decline participation as described above, while allowing the agency to assist employees who want to individually participate in the FAMLI program by facilitating voluntary payroll deductions, with remittance of the employee share of the premium (0.45% of wages) and wage data once a quarter to the FAMLI Division.

**When can we vote to opt out of FAMLI?** Anytime during 2022, but local governments are not required to give FAMLI notice of their decision to opt out until January 1, 2023.

### 3. Register with the FAMLI system (Fall 2022)

Every local government employer must register with FAMLI's online system, including those which choose not to participate in FAMLI. Registering with the system and uploading your documents will enable FAMLI to keep track of local government employers' current intentions for participation, the obligation to revisit a declination vote after eight years, and enable local government employers to provide an affordable benefit if they choose to remit premiums and wage data for employees who self-elect coverage.



FAMLI's online employer service system is expected to be available for registration during the Fall of 2022, during which time we will have support staff available to help employers navigate the process.

#### **4. Notify FAMLI of your local government's decision**

Local governments which vote to decline participation in the FAMLI program must notify the FAMLI Division of their decision by January 1, 2023 in order to avoid paying premiums in 2023.

##### **What does our local government need to send to FAMLI?**

After registration, a local government that votes to opt-out of the FAMLI program must notify the FAMLI Division on letterhead and must indicate the date the vote was taken and the result of the vote. If the local government has voted to opt out, but intends to assist its employees who choose to individually participate in the FAMLI program, this information must be included in the notification as well. This notification must be received by January 1, 2023.

##### **What happens if we do not take a vote, or send a letter?**

Local governments which do not notify the FAMLI Division of a vote to opt-out by January 1, 2023 will be identified as participants in the FAMLI program. The FAMLI Division will expect both wage data and premium payments due on April 1, 2023. You must notify the Division ahead of January 1, 2023 to avoid paying premiums.

#### **5. Notify your Employees of your local government's decision**

Local governments must notify employees of their decision on FAMLI participation within 30 days after the deciding vote. There are two employee notification requirements that Local Governments must abide by when voting to opt out of the FAMLI program (7 CCR 1107-2). One notice must be delivered individually to

employees after a declination vote, and one must be posted (with other labor notices etc). The written individual notices may be emails, or employee policies published in a handbook.

Employees of local governments who have opted out do not need to take any action to self-elect FAMLI coverage until benefits become available in 2024.

##### **What are the timelines in the rules?**

The rules have several timelines to be aware of and follow depending on the option selected by the governing body. Below is a list of the timelines. Please see 7 CCR 1107-2 for more information.

- » Local governments must notify employees of their decision on FAMLI participation within 30 days after the deciding vote. This gives local governments time to communicate their decision to their employees.
- » If the local government chooses to decline to fully participate in the FAMLI program, the decision must be revisited every eight years at a minimum.
- » 180 days notice must be given to employees before any change regarding access to FAMLI benefits is effective. This gives workers time to make arrangements and self-select coverage if they wish to do so. Benefits do not start until 2024.
- » Local governments which choose to fully participate in FAMLI after previously voting to decline participation, as well as individuals who self-elect coverage, must remain in the program and agree to pay premiums for a minimum of three years. If a local government wishes to withdraw from the program at the end of the three-year period, the Division requires a minimum of 90 days notice, so we can change systems to avoid overpayments and miscommunication.